

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CAMPBELL COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2006 Through June 30, 2007**



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C R I T L U A L L E N
A U D I T O R O F P U B L I C A C C O U N T S

Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Daniel Braun
Campbell County Property Valuation Administrator
Newport, Kentucky 41071

We have performed the procedures enumerated below, which were agreed to by the Campbell County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2006 through June 30, 2007. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Campbell County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2007) for all bank accounts to determine if amounts are accurate.

Finding -

PVA has a receipts ledger and a disbursements ledger. He has stated that he reconciles bank records to books each month; however, he did not print the reconciliations at the time he reconciled the account. The software would not allow him to print them now. Therefore, the auditor was unable to re-perform the June 30, 2007 reconciliation to determine if the amounts were accurate. The PVA was able to print out the current reconciliation, which did agree to the ledgers.

PVA's Response - I reconcile each month, but did not print out reconciliation reports. I have started printing them and will continue to print and attach to monthly bank statements.



Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Daniel Braun
Campbell County Property Valuation Administrator
(Continued)

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also, review the list of city receipts for completeness.

Finding -

Auditor compared recorded city receipts to confirmed payment amounts obtained from the city governments. The list of cities appeared complete.

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The fiscal court did contribute the legally required amounts as calculated by the Department of Revenue. The auditor was able to trace these contributions to the PVA local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Auditor selected 15 disbursements from PVA records and agreed these amounts to cancelled checks and invoices. All tested disbursements appear to be for official business. Auditor reviewed credit card statements and it appeared that all credit card expenditures were for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

PVA did not retain one invoice, nor did he follow proper bidding procedures for purchase of workstations. The auditor was able to verify the location of all of the newly acquired assets. The newly purchased computer server was not on site; however, the auditor was able to verify through the vendor that it had not been installed due to power issues in the computer room that are currently being resolved. All newly purchased assets were not on the PVA's Capital Asset Inventory List.

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Daniel Braun
Campbell County Property Valuation Administrator
(Continued)

5. (Continued)

PVA's Response - Desks were paid on two separate invoices, and should have been bid out. Did not realize I needed bid procedures since the invoices were less than \$20K, but should have bid. I purchased them from our supply company which is no longer in business. Cannot obtain copy of missing invoice for this same reason.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

There were no vehicle lease agreements or personal service contracts. There is an agreement with the Campbell County Clerk to pay a portion of the costs of the computer network. This agreement appears proper.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

It appears that the PVA overspent the 600 series (other capital outlay).

PVA's Response - Budget amendment was sent but never received by the PVA Administration Support. I will be sure to follow up better in the future.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary, determine if a collateral agreement exists.

Finding -

A collateral security agreement is needed and does exist. However, it has not been signed by the PVA

PVA's Response - I will contact the bank and make sure a signed agreement is obtained and kept.

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Daniel Braun
Campbell County Property Valuation Administrator
(Continued)

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets are completed, maintained, and support hours worked. Although approval is not documented directly on the timesheet, the PVA has stated that he is the only one able to enter the timesheets into the payroll system, and he approves them at that time.

PVA's Response - I handle all timesheets; therefore approval is not needed for timekeeper. I will begin signing approval in case my chief deputy has to handle timesheets in the future.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure is not applicable at this time.

11. Procedure -

For newly hired employees, during July 1, 2006 through June 30, 2007, of the PVA office, determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were two employees hired during this time period. However, both of these employees were hired prior to implementation of the Ethics Certification Form.

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA was closed February 14, 2007 for inclement weather. It appears that the Department of Revenue was properly notified.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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Campbell County Property Valuation Administrator
(Continued)

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

November 19, 2007